

cent below the standard price of 1867-77. [The exact value of x is nearly 56" 12, but Index Numbers are taken to the nearer whole number.] It may be added that the Index Number of Wheat for 1906 was 52, so that during the year 1906-7 the price had advanced by 4 per cent. In a similar mode the Index Numbers for all the remaining articles included in the adopted list are computed. In pursuance of this scheme no reduction to common denominations (as between the several articles) is involved; and we consequently rearrange Tables I and II in the form of—

TABLE III .

Nature of the commodity.	Average prices (or Index Numbers) during 1867-77.	Average prices or Index Numbers in the year examined, in terms of percentages of the standard prices. ¹
Cotton, <i>d.</i> per lb.	100	87.5
Tea, <i>d.</i> per lb.	100	92.9*
Coal, <i>s.</i> per ton	100	102.8
Totals	300	283.2
Averages	100	94.4

* Thus, from Table I, 11.25 : 10.45 :: 100 : x = 92.9.

An average fall in the aggregate price of the several commodities (taken together) is thus exhibited of $(100-94.4 =)$ 5.6 per cent.¹ In other words, the discrepancies between Tables I and II are avoided by reducing the prices of the standard period to a common term (100 each), and then expressing the prices of the year of investigation as percentages (*i.e.* Index

¹ The result presented in this Table may, of course, be furnished in components—using (+) for a rise and (—) for a fall. The change of price (the difference between the two columns) is—

(Cotton	•	•	•	(-) 12.5 per
cent In respect of		Tea	•	•
• (-)	7.1	I Coal	•	•
(+)	2.8			

The algebraic sum is • • •
 (—) 16.8 „ and the average alteration is J, or
 (—) 5.6 per cent, as above.